



SpeakEasy Announces \$2 Million Convertible Loan Financing

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VANCOUVER, April 22, 2020 /CNW/ - **SpeakEasy Cannabis Club Ltd. (CSE: EASY) (Frankfurt: 39H)** (the "**Company**" or "**SpeakEasy**"), a holder of a federal licence to cultivate, process and sell cannabis under the Cannabis Act is pleased to announce that further to its press release of March 23, 2020, it has entered into a convertible loan agreement (the "**Loan Agreement**") with 10161233 Canada Limited (the "**Guarantor**"), 1244726 B.C. Ltd. (the "**Lender**"), Bhayana Ventures Ltd. and 1193213 B.C. Ltd. (the "**Finder**") dated April 21, 2020, pursuant to which the Lender has agreed to loan the Company an aggregate of \$2,000,000.

The parties have agreed to a senior secured convertible loan in the aggregate principal amount of \$2,000,000 (the "**Loan**"). The Loan will accrue interest at a rate of 55% per annum and will be repayable as to \$1,810,000 (inclusive of interest) on the first anniversary of the closing date and as to \$1,999,500 (inclusive of interest) on the second anniversary date of the closing date (the "**Maturity Date**"). The Guarantor has guaranteed SpeakEasy's obligations under the Loan Agreement. In connection with the Loan, the Company has agreed to pay the Finder a fee of \$190,000 (the "**Finder's Fee**"). The Finder's Fee is payable on the first anniversary of the closing date.

The principal amount of the Loan, accrued interest thereon and the Finder's Fee will be convertible into common shares of the Company at the option of the Lender and the Finder, respectively, at any time prior to the Maturity Date at a conversion price of \$1.00 per share, subject to adjustment on the terms and conditions set forth in the Loan Agreement.

As security for the Loan, the Company will cause the grant to the Lender of a first mortgage over the Guarantor's property in Rock Creek, British Columbia and a first-ranking general security agreement over all of the present and after-acquired personal property of the Company and the Guarantor.

It is currently anticipated that the an initial advance on the principal amount of the Loan of \$250,000 will be advanced to the Company on or about April 24, 2020, with the balance of the funds being advanced on April 30, 2020. The advance of funds under the Loan is subject to certain conditions including, but not limited to, the entering into of all security documentation, the granting of the security and the receipt of all necessary regulatory and stock exchange approvals, including the approval of the Canadian Securities Exchange.

SpeakEasy also announces that on April 8, 2020 it has granted an aggregate of 545,000 incentive stock options to an employee and a director of the Company. The options have an exercise price of \$0.42 per share and expire on April 8, 2025.

About SpeakEasy Cannabis Club Ltd.:

SpeakEasy Cannabis Club Ltd. holds a cultivation, processing and sales licence issued by Health Canada under the *Cannabis Act*. [SpeakEasy](#) owns 290 acres of land in Rock Creek, British Columbia, and leverages three generations of farming experience in B.C. as well as its favourable location to grow and process high-quality cannabis products at low cost. SpeakEasy cultivates small

batch, high quality craft cannabis in its 10,000 square foot indoor facility and has completed the development of its licenced 60-acre outdoor field. The Company expects to complete planting its outdoor cultivation area during Q2, 2020, and to produce approximately 70,000kg of outdoor, sun grown cannabis in 2020.

For more information about SpeakEasy, visit speakeasygrowers.com.

Forward-Looking Statements

This news release contains statements that constitute "forward-looking statements." Such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause SpeakEasy's actual results, performance or achievements, or developments in the industry to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "potential" and similar expressions, or that events or conditions "will," "would," "may," "could" or "should" occur.

Forward-looking statements in this document include statements concerning SpeakEasy's expectation that the Loan transaction will close and the date on which it will receive the initial advance and the net proceeds of the Loan, its intended use of proceeds of the Loan, its intention to plant its outdoor crops and the timeframe associated with such planting, its intent to produce and sell high quality craft cannabis, its expected production output, the costs associated with such output and the timeframes associated with such production output and all other statements that are not statements of historical fact.

Although SpeakEasy believes the forward-looking information contained in this news release is reasonable based on information available on the date hereof, by their nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties and other factors, which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements.

Examples of such assumptions, risks and uncertainties include, without limitation, assumptions, risks and uncertainties associated with the global Covid-19 pandemic, including the risk that the Company be deemed a non-essential business and asked to temporarily cease operations; general economic conditions; adverse industry events; future legislative and regulatory developments involving cannabis; the Company's ability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favorable terms; the cannabis industry in Canada and generally; the demand for cannabis and cannabis related products, the ability of SpeakEasy to implement its business strategies; competition; the ability of SpeakEasy to obtain and retain all applicable licences under the Cannabis Act and other assumptions, risks and uncertainties.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS NEWS RELEASE REPRESENTS THE EXPECTATIONS OF THE COMPANY AS OF THE DATE OF THIS NEWS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE COMPANY MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS.

The Canadian Securities Exchange has not approved nor disapproved the contents of this news release.

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